



Maine Connections

October 2009

Greetings!

Welcome to the Maine Department of Economic and Community Development's e-Connections newsletter. We hope you find the newsletter informative and useful. We encourage you to forward it to your friends and colleagues.

From the Commissioner:

Maine's clean energy economy is poised for further growth

Maine is New England's largest wind-energy producer. We have the most wind energy potential than all our neighboring states combined. We have the equivalent of forty nuclear power plants worth of wind energy offshore, just in the Gulf of Maine. We are also fortunate to have abundant forests, waterways, and the ocean, which are sustainable energy resources.

These natural resources have been fueling Maine's clean-energy economy and will continue to do so, assisted by new innovative technologies, the entrepreneurial insights of the people of Maine, and their hard work ethic.



The University of Maine's Composite Center (AEWC) is developing stronger, more durable windmills for offshore and land wind farms. The center recently attracted national attention when U.S. Secretary of Transportation Ray LaHood toured the facility, pledging to take his findings to President Obama's Green Cabinet. What he saw was the dedication, sophistication, innovation, and expertise that the center's research scientists have put into the development of composite technologies. And how the AVEC Center works with partners in the private sector to develop their businesses in Maine.

By all accounts Secretary LaHood was impressed.

The composite resins developed at AEWEC make structures more durable, to withstand all types of corrosion from the elements, while at the same time they are lighter and have more structural integrity than their conventional equivalents.

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Upcoming Events:

Maine Wind Energy
Conference
- October 6

Harvest on the Harbor
- October 22-24

Juice 2.0 Conference
- November 13-14

This year's trade mission visited Europe's leading wind-farm producers in Spain and Germany, who have infused their economies with sustainable jobs in the clean-energy economy.

Europe has created 150,000 jobs in the green technology sector, with the majority being in Spain, Germany, and Denmark where they manufacture windmills.

Maine is scheduled to continue to erect new windmills, and is fostering the growth of companies that will manufacture these windmills and their platforms.

We've have already witnessed companies prospering and expanding because of windmill farms in the state. Reed & Reed, Inc. were contracted to erect the first Mars Hill wind farm. Since that success they have taken on other projects and are now New England's experts in the field. During the economic downturn, their traditional construction projects fell off in orders at the same time windmill farms have given them record profits.

DECD is working with companies involved in this dynamic sector of growth with Tax Increment Financing, Pine Tree Zone certifications, and the trade mission.

A new consortium we are also working with, The Maine Wind Industry Initiative, has brought together the private and public sector to showcase Maine companies and educational institutions that are at the forefront in this field. Many of their members will be participating in the trade mission.

DECD is proud to help progress Maine's prominence in this clean-energy revolution, which will fuel sustainable economic development.

-Commissioner John Richardson

Portland business expands and is TIF certified

A Portland business that is one of America's 500 fastest-growing private companies is transforming the old Portland Public Market into a call center. PowerPay processes credit card electronic payments for businesses. The company was founded in 2003 with six employees and has grown to 135. With their Portland Public Market expansion, PowerPay will add at least a hundred jobs in the new space.

In August PowerPay held a press conference describing their progress to date.



"We're pleased at the opportunity of being a part of the growing Bayside neighborhood and to bring life to a structure that had been vacant. We're half way through with renovations, expecting to open in December or January," said CEO Stephen Goodrich. "We wanted to respect Elizabeth Noyce's vision, keeping natural light streaming in, retaining the openness and market atmosphere."

The Portland Public Market was funded by the late philanthropist Noyce to help farmers and small businesses with economic development into the city's Bayside neighborhood.

Goodrich said the building offers a progressive office environment that takes advantage of the building's soaring ceilings. PowerPay will also put in a café designed by Portland's restaurateur Lee Smith.

"PowerPay is committed to being involved in the Bayside community. They chose to redevelop and repurpose a landmark, keeping its uniqueness intact, while becoming a Gold LEED certified green building," said DECD Commissioner John Richardson. "Success is a team effort. The city, the community, and company all pulled together to make this happen. The project will help transform the Bayside neighborhood, providing good jobs within walking distance. We're pleased to award PowerPay with a TIF certification."

Administered by DECD, the TIF program enables municipalities to make critical investments to spur economic development. Maine municipalities may redirect some or all of the new property taxes from an investment project within a designated district to assist in that project's financing.

"This project is retaining jobs as well as creating new jobs. These are the key ingredients when we consider a TIF application. This is a great project, revitalizing a relatively new building, and in the process making it LEED certified," said City Councilor Nick Mavodones.

"Having PowerPay in the Portland Public Market building stabilizes the building. It lost 25 percent of its value in a one-year period being vacant. The property, which sold for just under \$2.5 million, in the end will be worth \$9 million. That's a big gain for the city in tax value," said City Councilor Dave Marshall.

One year after a fire East Boothbay's tug builder is expanding

On July 11, 2008 a devastating fire engulfed Washburn & Doughty shipyard in East Boothbay. Immediately Governor John Baldacci dispatched DECD Commissioner John Richardson to the fire scene to determine how best the state could help the company recover.

Upon arrival the commissioner assembled his team and officials of Washburn & Doughty next door in a room provided by Hodgdon's boatyard, and started the recovery process.

The community united and raised \$140,000 to help the displaced workers. The Department of Labor and the Finance Authority of Maine also provided assistance.



All the while, the commissioner and DECD's Deborah Elliott worked closely with the company to make sure all their concerns were addressed.

Two months after the fire the shipyard launched a tug they had been working on.

Rep. Bruce MacDonald, working with DECD, sponsored a law that allowed the Washburn & Doughty boatyard to access state funds more quickly than usual, so the company could train more workers and expand the business.

The law created a waiver of certain Pine Tree Development Zone qualification requirements for businesses that are within a working waterfront, have been destroyed, and had to end all employment due to a catastrophic event.

Throughout the winter dedicated workers staved off the elements to finish tugboats and rebuild the shipyard. Currently the company is working on seven boats in varying stages of completion.

"The owners, and especially their employees, the people in the community, and the state all stepped forward to help this company stay here and grow," said Commissioner John Richardson. "In a year they have fully recovered from a devastating fire, have new contracts, launched new ships, and are the only boatbuilding company in Maine to receive federal stimulus funds. They are expanding their business during hard times. It's amazing."

Washburn & Doughty won a grant under the American Reinvestment Recovery Act, (ARRA), with support from Maine's U.S. senators and representatives and Governor Baldacci, all of whom wrote to federal officials recommending the company.

The tugboat maker will receive \$2.6 million under the Maritime Administration's Small Shipyards Grant Program and plans to use the money to design and build a dry-dock, furthering their growth plans to modernize and pursue new types of boat projects.

Office of Community Development helping students succeed

Jobs for Maine Graduates (JMG) recently received a \$200,000 community block grant from DECD's Office of Community Development (OCD). JMG provides help for students who are challenged in a traditional learning environment and are likely to leave school or fail. The program keeps students in school and helps them transition into college or the workplace after graduation. The funding will be allocated to JMG programs in Somerset County schools.

Tammy Knight of the DECD's Office of Community Development said the funds come from the U.S. Department of Housing and Urban

Development (HUD). The OCD then distributes the grants.

"It's an annual allocation that the state receives from HUD, that we are fortunate to be able to give out to a number of worthy programs," said Knight. "Recipients are chosen on a competitive basis."



JMG helps middle and high school students with practical, lifelong skills, like managing a budget, writing a résumé, working in teams, setting goals, and interacting in communities.

JMG programs are in 67 schools. During the 2008-09 school year, JMG students completed over 34,000 hours of community service.

JMG has a high success rate and has turned lives around.

"I attended their annual day at the Augusta Civic Center where they give out awards. The students were full of enthusiasm for their futures. Many of them spoke about how they were given a fresh start with the program by working in their communities and setting goals for themselves. I'm proud that OCD can help. It's a great project to be involved in," said Knight.

The goal is to help 200 students with the grant.

Knight said, "The funding will pay for the programs in Madison High School, Skowhegan Area High School, Carrabec High School in North Anson, and Maine Central Institute in Pittsfield."

JMG provided a twenty-five percent cash match to the grant toward this Somerset County expansion.

Knight said, "Community Block Grant funds are awarded to projects that benefit groups comprising mostly low- to moderate-income people, that eliminate slum or blight, or meet an urgent need which requires a declaration of disaster."

JMG was established in Maine by the Legislature in 1993.

JMG was awarded the "Best Program in the Nation - 2009" by Jobs for America's Graduates (JAG) for exceeding national outcome standards for 15 consecutive years.

JAG is the national program, and JMG is an affiliate. Program designs in Maine that succeed are being used by other states.

Maine's Renewable-Energy Trade Mission to Europe

This year's trade mission took place from September 19 to 26 in Spain and Germany. Governor John Baldacci lead the delegation, which promoted companies in Maine's emerging wind industry. The mission was coordinated by the Maine International Trade Center.

In total twenty-three businesses and individuals traveled to the two countries, which rank

second and third in wind-energy production and installation.

European investors consider Maine an ideal place to expand.

"Major investments are already being made in Maine and eastern Canada. Companies with a major presence in Europe are looking at the U.S., now that federal and state programs are in place," said Janine Bisaillon-Cary, president of the Maine International Trade Center. "Spain's Iberdrola and Canada's Emera and TransCanada have invested in our energy sector, and Germany has recently invested in developments in both Maine and Quebec. Many wind components destined for New England and Canada are shipping through Maine's ports."

Governor Baldacci spoke to Spanish and German industries at two renewable-energy briefings. The governor described the development of the industry in Maine, which is home to more than 95 percent of installed wind power in New England.

"Right now, Maine is New England's largest wind-energy producer. We have world-class companies building these powerhouses. That expertise will contribute to a Center of Excellence in the industry we are planning for Maine. Building ties with European countries and companies will strengthen Maine companies and grow jobs in this dynamic growth economy," said DECD Commissioner John Richardson.

Maine has more wind-energy potential than all other New England states combined.

"The supply chain is very well represented," indicated Steve Von Vogt of the Maine Wind Industry Initiative, a consortium of companies and partners helping the industry in Maine. "From engineers and manufacturers to installers and logistics providers, we have a world-class wind-energy sector in Maine."

Companies on the mission targeted potential investors in hopes of being first in line for contract opportunities.

Trade mission participants included Maine companies that build, supply, and provide logistics for wind projects. Among them were Cianbro, Reed & Reed, Bath Iron Works, Sprague Energy, law firms involved in the projects, and Northern Maine Community College, which has a new wind-energy technology program.

Mission delegates spent their time meeting with potential business partners in one-on-one meetings arranged by the U.S. Commercial Service in Spain and Germany, and attended the Wind Power Expo in Zaragoza, the leading wind-energy trade show for southern Europe.

MRRA redevelopers receive \$400,000 in grants for clean-energy park study

The Midcoast Regional Redevelopment Authority (MRRA), the group implementing the reuse plan for Brunswick Naval Air Station (BNAS), welcomed a \$200,000 grant that will help determine whether the redeveloped base will house a renewable-energy park.

The MRRA vote was unanimous authorizing the acceptance of the funds, awarded by the federal Economic Development Administration (EDA), during the monthly board of directors meeting in September.

"The Economic Development Administration is pleased to partner with the Midcoast Regional Redevelopment Authority to improve the regional economic climate," said Sandra R. Walters, EDA chief financial officer and chief administrative officer, in an August 27 press release. "This EDA grant will advance collaboration in the renewable energy sources sector and help build a renewable energy technology cluster in Midcoast Maine."

The EDA money matches a separate \$200,000 grant from the Maine Technology Institute, an affiliate of the DECD. These two grants combined will be used to determine the feasibility of an energy park.

"With this funding, MRRA can explore the potential of establishing an energy cluster development site that will aim to bolster technological innovation and help bring Maine to the forefront of national and global commerce," said DECD Commissioner John Richardson, who serves on the MRRA.

Maine is New England's largest wind-energy producer. From wind, water, and wood, Maine's sustainable, natural assets are providing the foundation for a growth economy.

"Maine is rich in natural resources that are fueling the clean-energy economy. BNAS could provide an optimum location for an energy research park, which would create thousands of jobs," said Richardson.

The planned energy hub would create a center for research and development that would progress cutting-edge technologies. The site could help establish Maine as a leader in innovation, in the clean-energy economy.

While five thousand jobs will be lost with the closure of BNAS, projections estimate that over ten thousand jobs could be created with a clean-energy park.

Steve Levesque, who heads up the MRRA, was a participant on the current Maine International Trade mission to Spain and Germany. With the mission's focus on clean-energy development, the opportunity to promote the BNAS site to potential European investors made the trip a must for Levesque.

Maine's film industry sets stage for growth

The Maine Studio opened the state's largest film studio production house on Presumpscot Street in Portland last August. The 43,000-square-foot warehouse will be used for film production, sound, equipment storage, and production offices. The Maine Studio is a collaborative effort that will bring together film, theater, music, and art professionals in a single location. It is also the home of the newly formed Maine Film Co-op.



As Gov. John Baldacci cut the 16-millimeter film ribbon, The Maine Studio was officially open for business.

Norm Jewett, a movie writer-producer said the warehouse would help bring Maine filmmakers together.

"It gives us a real place where we can get together and create," he said.

Film production boosts Maine's economy through direct spending, tourism, and jobs. According to a 2008 report commissioned by the Maine Film Office, the visual media industry in Maine had an economic impact in 2005 of \$630 million, including direct, indirect, and induced spending, and employed 2,113 people. The report also found that for each million dollars spent in Maine by out-of-state production companies, about \$150,000 in-state and local-government revenues

are generated.

"By their vision and effort Wasted Minds Media Group is creating a unique multi-use production and media promotion facility. All of Maine will benefit thank you WMMG," said Lea Girardin, the Director of the Maine Film Office.

Rep. Thomas Watson sponsored a bill, working with the Film Office, to increase state incentives for film production, offering filmmakers 20 percent of production costs. Maine is in competition with states that offer from 15 percent to 42 percent of all production costs. Currently Maine offers the equivalent of 6-7 percent. The majority of states fall in the 20 percent to 30 percent incentive bracket.

The legislation was carried over until next year.

In the meantime, solutions offered by people working together, like The Maine Studio, have emerged.

"I'm going to quote from a movie that was shot in 1989," said Notch during the opening ceremony. "Build it and they will come, and that's what's happening here."

Wasted Minds Media Group has already started work preparing for an August 30th shoot of a pilot for a reality TV show, to be followed next month by four short films.